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SUBJECT: MEDIA REACTION: Cross-Strait Affairs

Summary: 1. Taiwan dailies June 17 focused on two ongoing issues: flooding in southern Taiwan and the fishery dispute between Taiwan and Japan. The pro-independence "Liberty Times," Taiwan's largest daily, the conservative, pro-unification "United Daily News," and the pro-independence "Taiwan Daily" all carried photos of flooded areas in southern Taiwan on their front pages. The "Liberty Times" carried a banner headline of its first page that read: "Heavy Rains Seriously Jeopardized [Southern Taiwan,] Agricultural Losses Are Worth More Than NT\$1.4 Billion."

2. In terms of editorials and commentaries, Taiwan dailies focused on local issues (e.g. Premier Frank Hsieh's plan to deal with the flooding) and the Taiwan-Japan relationship (e.g. protest held by Taiwan aboriginal Legislator May Chin in front of Japan's Yasukuni Shrine). Three other editorials, however, focused on cross-Strait relations from an economic perspective. The pro-independence "Liberty Times," for example, focused on China's "incremental unification" policy toward Taiwan. Its editorial said the Taiwan government has treated Taiwan merchants based in China so positively that Taiwan has fallen into a trap of China's incremental unification policy. The pro-independence "Taiwan Daily" editorialized that China's policy to loosen its restriction on the employment of Taiwan people in China is a form of unification propaganda, and added that the purpose of China's policy is to lure away all of Taiwan's talented people. The pro-independence "Taipei Times" also said in its editorial that China's policy welcoming Taiwan people to work in China is a reflection of the "One China" principle, and warned that Taiwan should not lose its economic edge against China. End summary.

A) "Taiwan Should Worry About [China's] 'Incremental Unification' [Toward Taiwan]"

The pro-independence "Liberty Times" [circulation: 800,000](06/17) editorialized:

"What is 'incremental unification'? [Taiwan's] internalization of cross-Strait relations and the normalization of the 'One China' principle are one of the forms; the economic development conference, proactive-opening [toward China], and cross-Strait charter flights are the other forms. The former forms belong to the political aspect, while the latter ones the economic aspect. The interactions between both aspects lead to an integration. The economic aspect of incremental unification, especially, is dissolving Taiwan peoples' psychological defense toward the threat of China, and blurring the red line between Taiwan and China. In the beginning, Taiwan merchants (who invest in China) have a sense of sin for assisting the enemy, i.e. China. With the [Taiwan] officials' expectations and blessings, however, those merchants incrementally become pioneers of the Taiwan economy. Moreover, they are considered to have contributed to Taiwan's economy. Whenever there are important Chinese holidays, cross-Strait charter flights are arranged for them to allow them return as heroes (Taiwan merchants in the United States do not have such honorary treatment; they have to catch airplanes by themselves, and the way home is farther). When Taiwan merchants based in China return to Taiwan, they enjoy standardized luncheons, and even the president [of Taiwan] has to head government officials to attend the luncheons and learn from them. We can say the government's policies have centered on China as well as Taiwan's merchants based in China. When the situation comes to this stage, there is no way and no spare moment [for the government] to take care of domestic investments and constructions for infrastructures. ."

B) "China's Policy That Allows Taiwan People To Work In China Is An Unification Propaganda That Would Vacuum The Talented Taiwan People"

The pro-independence "Taiwan Daily" [circulation: 150,000](06/17) editorialized:

". There is a very evident political motive behind the China's policy to loosen its restrictions on the employment of the Taiwan people in China. The motive is to attract talented Taiwan people to leave their country, and to vacuum

Taiwan's human resources. As a result, Taiwan's managerial and skilled people would leave Taiwan massively, and as a result, a crisis of Taiwan's economic development might occur. Since China absorbs a lot of Taiwan's technical people, there would clearly be a shortage of domestic managerial people, and a salary rise for technical people. There would be, however, excess entry-level workers, and would consequently cause an imbalance in Taiwan's human resources. Moreover, the imbalance might expand itself to become a social problem. As the old saying goes: 'The water always goes to low grounds, while a man climbs to a high ground.' China has set a goal in its unification propaganda to attract Taiwan's talented people, and would initially try all the means, release many favorable measures to 'invite them to a trap.' China has tried to utilize the opening of its job market as a test trial to vacuum Taiwan's talented people. After China has successfully developed its economy, and after China's enterprises have cultivated their own technical people, Taiwan people who seek positions in China will no longer be hired, and it will be too late for them to regret. ."

C) "Exodus of Workers Unlikely"

The pro-independence "Taipei Times" [circulation: 30,000](06/17) editorialized:

". [I]t is unlikely that Beijing's move is unrelated to 'one China' propaganda. The restrictions being lifted are of the type other countries impose on foreign workers to protect local employees. For example, the US government imposes similar restrictions in issuing work visas to foreigners.

"So Beijing's move is once again mostly symbolic -- signifying that Taiwanese receive similar treatment under Chinese law simply because they too are "Chinese" -- but without otherwise offering any substantive benefits. .

"The real focus of Taiwan's concern should not be the exodus of entry-level and non-professional workers to China. Rather, it is how to maintain the competitive edge of the workforce, so that foreign and domestic investors will be willing to invest and create even more work opportunities here.

"Within the high-technology industry in particular, a high-priority task is to ensure that the workforce's research and development capabilities stay ahead of China's."

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